

**MEMORANDUM**

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February 25, 2015

**TO:** Honorable Mayor and City Commissioners

**VIA:**

**FROM:** Kenneth Fields, City Manager

**SUBJECT:** City Manager Employment Agreement Renewal

**SYNOPSIS:** The City Commission can approve an amendment to the City Manager's Employment Agreement renewing it for a period of two years, adjusting the salary and making other changes.

At its meeting of February 3, 2015 the City Commission performed its annual Performance Review of the City Manager and authorized the Mayor and/or the City Attorney to negotiate a renewal of his Employment Agreement. The existing Employment Agreement requires negotiations for renewal to begin 180 days before its expiration (August 4, 2015), or Thursday, February 5, 2015. This proposed First Amendment to the Employment Agreement provides for extending the term of the Employment Agreement for two years to August 5, 2017 as well as the following changes: an increase in salary of three percent (3.0%) effective February 1, 2015; a one time performance/retention bonus of five percent of salary payable upon approval of the Employment Agreement amendment; allowing the Manager to participate in the City paid dental insurance program if he so desires; placing the Manager in employee Category 3 for vacation accrual purposes (9.424 hours per pay period); and providing for a forty-five day paid suspension period if the Commission desires to terminate the Manager without cause. Other language changes are proposed to reflect that this is a renewal amendment and not an initial Employment Agreement.

Also attached are the City Manager Performance Objectives for the next year as provided by each City Commissioner as part of the City Manager's Performance Review.

**Fiscal Impact**

The salary adjustment will result in increased city expenditures of \$4,497.27 for ongoing salary, deferred compensation and retirement costs. The onetime bonus shall cost \$6,439.38

**ATTACHMENT**

Proposed Employment Agreement Amendment  
City Manager Performance Objectives

**FIRST AMENDMENT TO THE  
EMPLOYMENT AGREEMENT  
CITY MANAGER**

This First Amendment to the Employment Agreement dated July 19, 2013 (the "Agreement") between the City of Lake Wales, Florida, a Florida municipal corporation, (the "City") and Kenneth R. Fields ("Fields" or "City Manager") is made and entered into this \_\_\_\_ day of March, 2015.

**RECITALS:**

**WHEREAS**, Section 4.01 of the City Charter (the "Charter") requires that there shall be a City Manager, who shall be the Chief Administrative Officer of the City; and

**WHEREAS**, the City desires to continue to employ the services of Fields as City Manager and Fields wishes to continue to accept this employment.

**NOW, THEREFORE**, in consideration of the promises and mutual covenants contained in this Amendment the parties agree to amend the following Sections of the Employment Agreement between the parties as follows:

**Section 2.1 Salary** shall be amended to read as follows:

2.1 Effective as of his anniversary date of February 1, 2015 the City Manager's annual compensation shall be increased by three percent (3.0%) over its current rate and he shall receive a one time performance/retention bonus of five percent (5.0%) of his annual salary.

**Sections 3. Performance Evaluations** shall be amended to read as follows:

3.1 The City Commission shall evaluate the performance of the City Manager at least once annually no later than 30 days prior to the City Manager's Anniversary Date. Based upon the results of the annual evaluation, the City Commission may, in its sole discretion, grant a salary increase, bonus and/or grant additional benefits to the City Manager effective with his anniversary date. If the City Manager receives a negative evaluation, the City Manager shall receive no increase or bonus.

3.2 The annual evaluation specified in Section 3.1 shall be based upon (i) the City Manager's performance of the duties specified in Section 1 and (ii) the City Manager's achievements of the City Commission's policy directives.

3.3 Deleted

**Section 4.3** **Deferred Compensation/Insurance/Retirement Benefits/Life Insurance** shall be amended to read as follows:

4.3 The City Manager shall not receive the benefits currently provided to City employees for health or vision insurance but shall be entitled to dental insurance, as outlined in Section 2-223 of the City's Personnel Policies.

**Section 8.1** **Annual Leave, Sick Leave and Holidays** shall be amended to read as follows:

8.1 Effective with this Amendment, the City Manager shall accrue vacation leave as a Category 3 Employee under the City's Personnel Policies. Such vacation leave shall accrue equally per pay period.

**Section 15.1** **Term** shall be amended to read as follows:

15.1 This Agreement shall commence on its Effective Date and continue through August 4, 2017 (the "Term"), unless terminated earlier as provided for in this Agreement.

**Sections 16.2 and 16.3** **Termination** shall be amended to read as follows:

16.2 In the event the City Commission wishes to terminate City Manager, it shall do so in accordance with the provisions of Section 4.02 of the Charter. If the City Commission terminates the City Manager without cause, it shall suspend the Manager with pay for a period of forty-five (45) days before such termination is effective.

16.3 In the event the City Manager is terminated prior to the expiration of the Term specified in Section 15.1, the City Manager shall receive a severance payment equal to twenty (20) weeks salary, or the maximum allowed under State Statute, whichever is greater. For purposes of this Section, "severance payment" shall be based upon the salary specified in Sections 2.1 in effect on the date of termination. Severance under this paragraph shall include payment of those benefits listed in Sections 4, 6, 8 and 10 coinciding with the corresponding length of severance pay. All severance payments shall be paid to City Manager in a lump sum upon his termination or within fifteen (15) days thereafter at the City Commission's option.

IN WITNESS WHEREOF, the City, by signature of the Mayor as authorized by Commission Resolution on \_\_\_\_\_, 2015, and City Manager have signed and executed this Agreement the day and year first above written.

City of Lake Wales

ATTEST:

By: \_\_\_\_\_  
Eugene Fultz, Mayor

\_\_\_\_\_  
Clara VanBlargan, City Clerk

Approved as to form and legal sufficiency  
for the use of the City Commission only:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Manager, Kenneth R. Fields

# City Manager Performance Objectives

## Howell

1. Continue to improve each community
2. Continue to uplift the morale of the city workers
3. Overall recreation master plan
4. Continue to develop Long Leaf Business Park

## Lutton

1. Long range strategic plan
2. Keep budget in check with no employee increases
3. Challenge to step up quality of work performed to encourage growth

## Wojcik

No comment

## Fultz

1. Reach out a bit more to community organizations
2. Ensure that all employees know when they are doing a great job

## Thornhill

1. Hotel is a priority
2. 1919 Building
3. Signage coming in to the city.